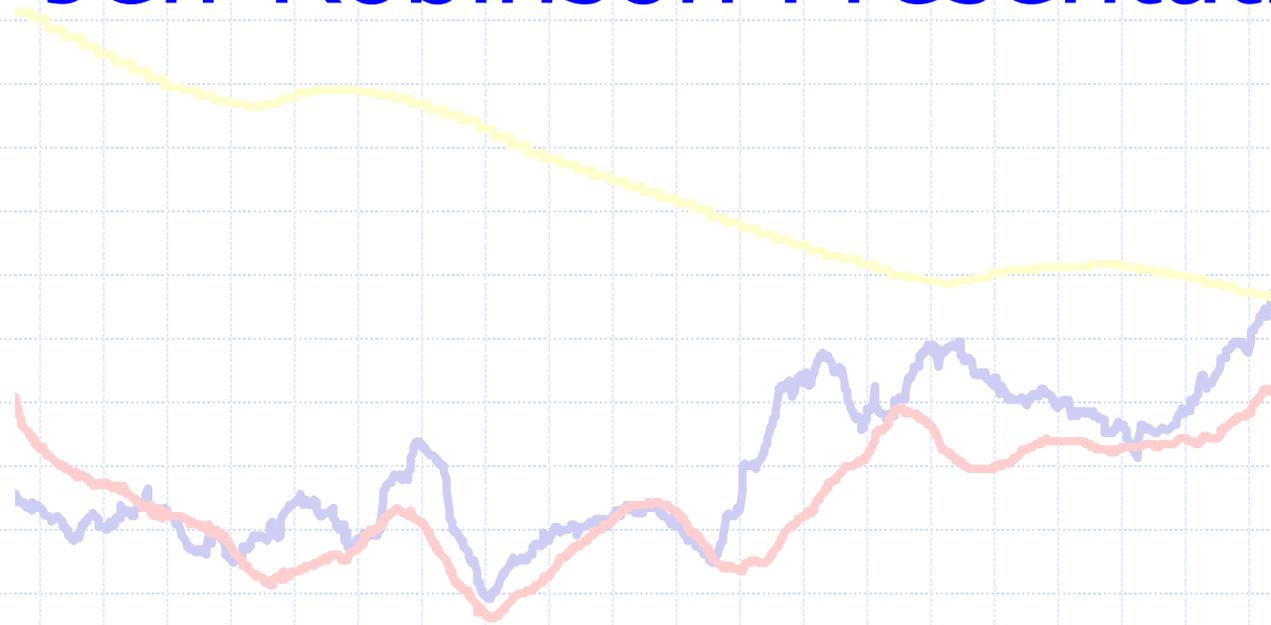
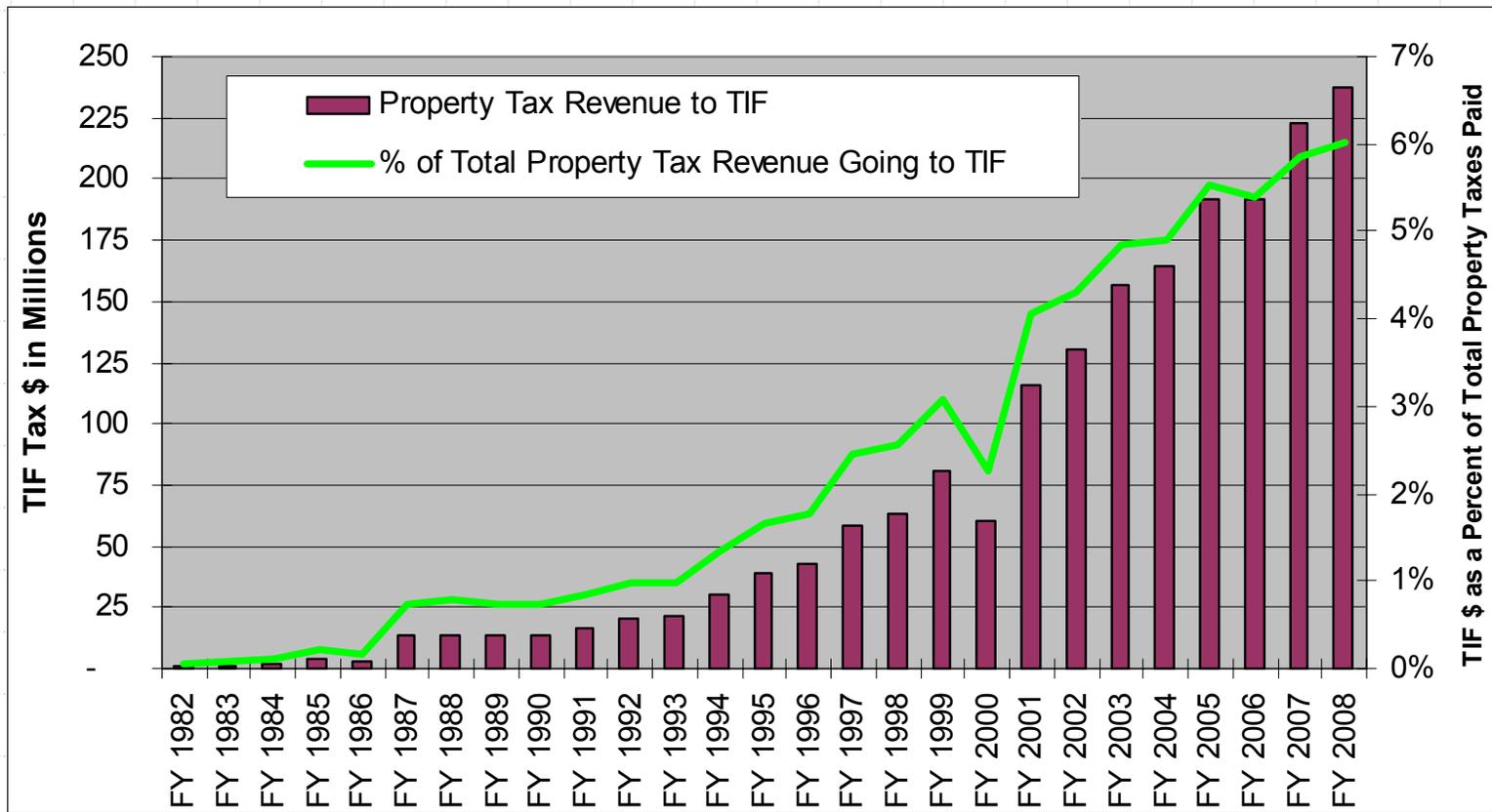


-8B- Urban Renewal and Tax Increment Financing - Jeff Robinson Presentation



Jeff Robinson - Fiscal Services Division
Legislative Services Agency
Legislative Property Tax Study Committee
September 12, 2007

Property Tax Dollars Devoted to Economic Development Through Tax Increment Financing



Source and Destination of TIF Property Tax

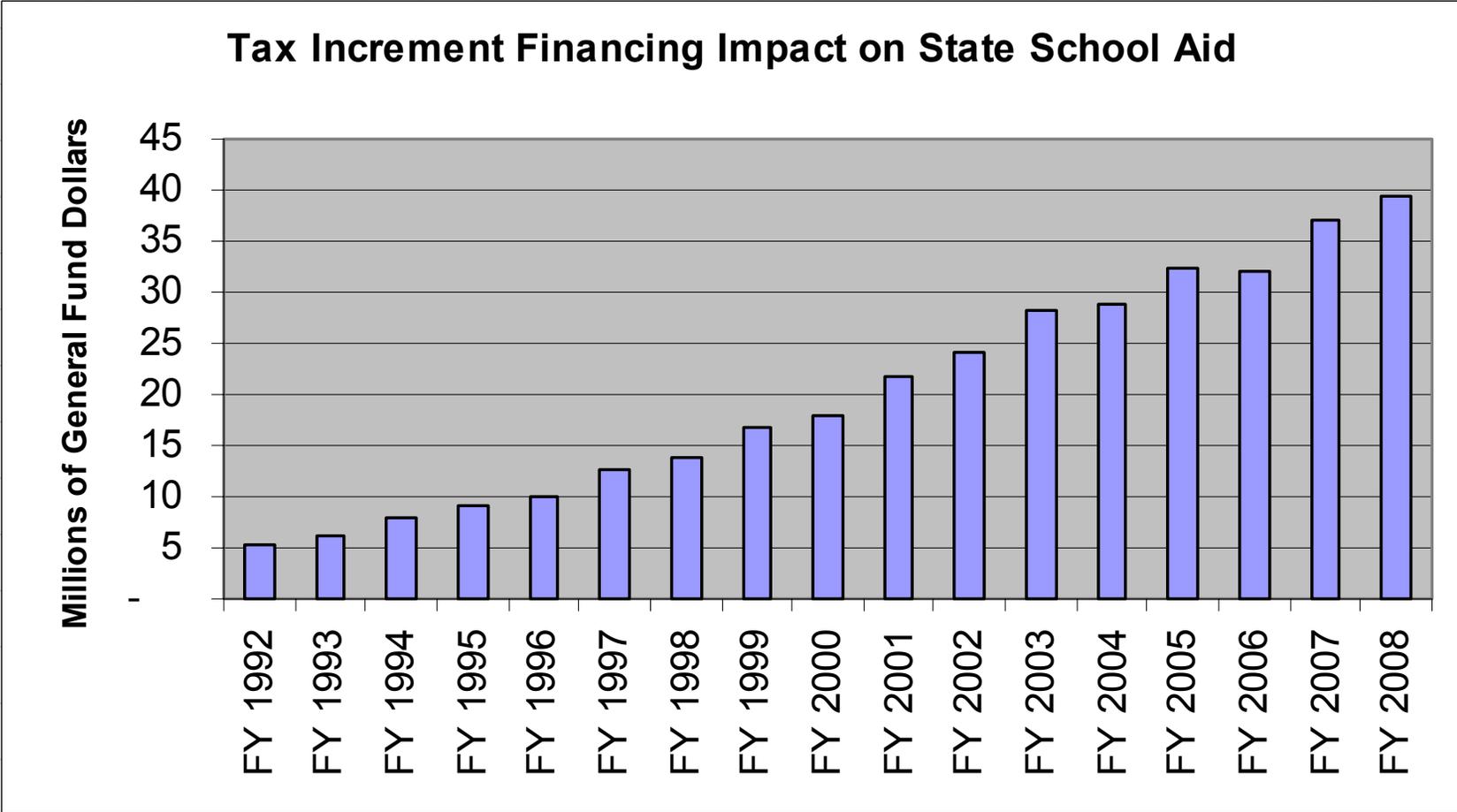
Tax Increment Financing Breakdown - FY 2008

	City TIF's	County TIF's	Community College TIF's	Rural Improvement Zone TIF's	Total TIF's
Total	\$226,252,439	\$10,023,771	\$201,088	\$1,300,555	\$237,777,853
Percent of Total	95.2%	4.2%	0.1%	0.5%	100.0%

Source of Revenue	TIF Impact	% of Total
County	45,787,725	19.3%
City	77,215,850	32.5%
School	59,262,927	24.9%
State General Fund	39,354,487	16.6%
Community College	4,750,989	2.0%
Ag. Extension	818,660	0.3%
Assessors	2,806,445	1.2%
Townships	251,090	0.1%
Hospitals	5,947,175	2.5%
Other	970,954	0.4%
SSMID	586,043	0.2%
Brucellosis Fund	25,508	0.0%
	\$237,777,853	100.0%

SSMID = Self-Supporting Municipal Improvement District

State School Aid TIF Backfill History



School Districts With Significant TIF Increment

Top 10 School Districts - Percentage in TIF Increment

Rank	School District	Percent of Taxable Value in TIF Increment	FY 08 Current School Rate	Approximate No TIF Rate	Rate Per Thousand \$ Difference	State GF Appropriation Reduction
1	Clear Creek-Amana	36.9%	17.05	12.75	4.30	\$1,211,200
2	West Burlington	36.6%	21.14	15.38	5.76	269,264
3	Baxter	25.1%	19.90	16.27	3.63	95,477
4	Waukee	22.1%	17.80	15.06	2.74	2,246,975
5	South East Polk	21.9%	21.96	18.34	3.63	1,390,573
6	Le Mars	21.7%	12.50	10.96	1.54	696,826
7	Ballard	20.8%	21.33	18.02	3.31	258,067
8	Iowa Falls	20.8%	14.66	12.73	1.92	291,222
9	Rock Valley	20.4%	15.66	13.57	2.09	185,474
10	Sheldon	20.2%	12.28	10.89	1.39	319,644
	Statewide Average	6.3%	15.18	14.56	0.62	\$39,354,487

Perspective – \$237 Million of TIF Property Tax Dollars in FY 2008

- ◆ Reducing the Insurance Premium Tax Rate from 2.0% to 1.0% decreased annual State General Fund revenue approximately \$105 million per year.
- ◆ Eliminating the State Sales Tax on residential utility bills reduced annual State General Fund revenue approximately \$100 million per year.
- ◆ Increasing the State Cigarette Tax rate by \$1.00 per pack increased annual State General Fund revenue approximately \$131 million per year (includes Tobacco Tax)
- ◆ From inception (Nov 2005), the Iowa Values Fund has received approximately \$73 million in General Fund appropriations and other revenue.
- ◆ Local option tax revenues (Hotel, Sales, Income)
 - FY 1999 = \$204.3 million
 - FY 2007 = \$661.2 million
 - Increase = \$456.9 million

During FY 2004 & FY 2005, Cities and Counties collected a total of approximately \$354.0 million in TIF property tax revenue. They also increased reported TIF debt by \$179.2 million during those years.

Reported TIF Obligations Outstanding - FY 2003 & FY 2005
Dollars in Millions

<u>Report As Of</u>	<u>City</u>	<u>County</u>	<u>Grand Total</u>
June 30, 2003	\$1,327.2	\$97.1	\$1,424.3
June 30, 2005	\$1,486.2	\$117.3	\$1,603.5
Increase	\$159.0	\$20.2	\$179.2
Percent Increase	12.0%	20.8%	12.6%

Comparative Rates of Growth

Comparative Rates of Growth in Iowa Economic Indicators

	Level Eight Years		Average Annual Rate of Growth	Inflation Adjusted
	Previous	Most Recent Level		
Working Age Population (20 through 64) (CY00-CY08)	1,668,682	1,798,232	0.9%	
Inflation - CPI-U (Dec 98- Dec 06)	163.9	201.8	2.6%	
Homestead Credits Claimed (AY98-AY06)	727,922	770,603	0.7%	
Private Sector Employment (CY98-CY 06)	1,206,600	1,255,800	0.5%	
Commercial Property Units (AY98-AY06)	88,115	90,836	0.4%	
Industrial Property Units (AY98-AY06)	4,640	4,535	-0.3%	
School Enrollment (FY99-FY07)	505,200	483,105	-0.6%	
Assessed Value-No TIF, No Abate (AY98-AY06) *	\$94,319,506,649	\$142,913,351,666	5.3%	2.7%
Wage/Salary income - Int. Rev. Service (TY97-TY05)	\$32,923,868,000	\$44,832,261,000	3.9%	1.3%
Iowa Gross Domestic Product (CY98-CY06)	\$83,665,000,000	\$123,970,000,000	5.0%	2.4%
Net State General Fund Tax Revenue (FY99-FY07)	\$4,016,300,000	\$5,183,900,000	3.2%	0.6%
Local Option Taxes (FY99-FY 07)	\$204,293,534	\$661,196,186	15.8%	13.2%
Assessed Value in TIF Increments (AY98-AY06) *	\$3,476,883,561	\$7,768,489,312	10.6%	7.9%
Abated Value - No Ag Value Included (AY99-AY07) *	\$1,537,736,539	\$2,509,230,931	6.3%	3.7%
Total	\$5,014,620,100	\$10,277,720,243	9.4%	6.8%
Assessed Value Including TIF and Abate (AY98-AY06) *	\$97,796,390,210	\$150,681,840,978	5.6%	2.9%

* Agriculture and Gas/Electric Valuation not included

CY = Calendar Year, FY = Fiscal Year, TY = Tax Year